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CAROL A. HERRMANN, MPH
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Medicaid Briefing Prescription Limit

- Children through the EPSDT Program and nursing home residents are excluded from the monthly limit.
- Estimated annual savings of \$25.2 million total, \$7.3 million state

Monthly brand limit of 4 (Up to 10 brands available for anti-psychotic and anti-retroviral drugs)

- A monthly brand limit policy is critical to making systemic changes within Medicaid's Pharmacy Program to insure continued viability.
- Brand prescriptions account for 49.8% of total Medicaid prescriptions, but 83.1% of Medicaid's pharmacy costs.¹
- Many brand drugs have clinically equivalent alternatives that are just as effective and safe as the brand name, but yet cost approximately 73% less.²
- Medicaid could save \$17 million annually if generic utilization was increased by 3%.³
- Facts about generic drugs

Generic drugs are just as safe as brand name drugs.

- FDA requires that all drugs be safe and effective and that their benefits outweigh their risks; generics have the same risk-benefit profile as their brand name counterpart.

Generic drugs are as strong as brand name drugs.

- FDA requires generics to have the same quality, strength and purity as the brand name drugs.

Generic drugs cause no more side effects than brands.

- FDA monitors reports of adverse drug reactions and has found no differences between brands and generics.

Unlimited Generic and Covered Over the Counter (OTC) Medications

- In addition to 4 brand name drugs, Medicaid recipients may receive unlimited generic and covered OTC drugs.

Same Class Switch-Over for Failed or Ineffective Therapy

- Available in November for immunosuppressives, anti-neoplastic, cardiac, hypertensive, diabetic, hemostatic, and renal dialysis agents.

¹ Percent of pharmacy cost based on ingredient cost only.

² Calculation based on average generic price of \$20.48 and average brand price of \$76.66 before federal rebates.

³ Review of Alabama Medicaid data by the Center for Pharmacoeconomic Studies, University of Texas, 3/2004.

Our Mission - to provide an efficient and effective system of financing health care for our beneficiaries.